

# **EXHIBIT 1**

## **LEASE AGREEMENT**

**Between**

**DDR MDT FAYETTEVILLE SPRING CREEK LLC  
"Landlord"**

**and**

**Jo-Ann Stores, Inc.  
"Tenant"**

Dated: January 13, 2010  
~~December 9, 2009~~

<b>SECTION.....</b>	<b>PAGE</b>
<b>SECTION 1 EXHIBITS TO LEASE AND DEFINITIONS .....</b>	<b>1</b>
<b>SECTION 2 PREMISES .....</b>	<b>8</b>
<b>SECTION 3 TERM AND OPTIONS TO RENEW .....</b>	<b>12</b>
<b>SECTION 4 FIXED RENT .....</b>	<b>14</b>
<b>SECTION 5 PERCENTAGE RENT.....</b>	<b>14</b>
<b>SECTION 6 GROSS SALES DEFINED .....</b>	<b>15</b>
<b>SECTION 7 TAXES AND ASSESSMENTS.....</b>	<b>17</b>
<b>SECTION 8 COMMON AREA COSTS .....</b>	<b>19</b>
<b>SECTION 9 CONSTRUCTION OF PREMISES.....</b>	<b>21</b>
<b>SECTION 10 USE AND OPERATION.....</b>	<b>29</b>
<b>SECTION 11 COMMON AREAS, PROTECTED AREA .....</b>	<b>30</b>
<b>SECTION 12 UTILITIES .....</b>	<b>31</b>
<b>SECTION 13 MARKET AVAILABILITY.....</b>	<b>31</b>
<b>SECTION 14 RULES AND REGULATIONS: TENANTS' BUSINESS ASSOCIATION.....</b>	<b>33</b>
<b>SECTION 15 ALTERATIONS, INSTALLATIONS AND REMOVAL OF IMPROVEMENTS BY TENANT.....</b>	<b>33</b>
<b>SECTION 16 REPAIRS AND MAINTENANCE.....</b>	<b>34</b>
<b>SECTION 17 WAIVER OF LIABILITY BY TENANT.....</b>	<b>37</b>
<b>SECTION 18 WAIVER OF SUBROGATION AND WAIVER OF CLAIMS .....</b>	<b>37</b>
<b>SECTION 19 INDEMNIFICATION AND PUBLIC LIABILITY INSURANCE.....</b>	<b>38</b>
<b>SECTION 20 SIGNS.....</b>	<b>41</b>
<b>SECTION 21 ASSIGNMENT AND SUBLETTING .....</b>	<b>42</b>
<b>SECTION 22 REPAIR AFTER CASUALTY.....</b>	<b>43</b>
<b>SECTION 23 CONDEMNATION .....</b>	<b>45</b>
<b>SECTION 24 LANDLORD'S REMEDIES UPON DEFAULT .....</b>	<b>46</b>
<b>SECTION 25 RIGHTS OF LANDLORD.....</b>	<b>47</b>
<b>SECTION 26 BREACH OF COVENANT.....</b>	<b>48</b>

<b>SECTION 27 MORTGAGE SUBORDINATION .....</b>	<b>48</b>
<b>SECTION 28 NO WAIVER OF DEFAULT .....</b>	<b>49</b>
<b>SECTION 29 VACATION OF PREMISES .....</b>	<b>49</b>
<b>SECTION 30 SHORT FORM LEASE .....</b>	<b>50</b>
<b>SECTION 31 RENT DEMAND .....</b>	<b>50</b>
<b>SECTION 32 NOTICES .....</b>	<b>50</b>
<b>SECTION 33 MERCHANTS ASSOCIATION .....</b>	<b>51</b>
<b>SECTION 34 APPLICABLE LAW AND CONSTRUCTION .....</b>	<b>51</b>
<b>SECTION 35.....</b>	<b>52</b>
<b>UNAVOIDABLE DELAY.....</b>	<b>52</b>
<b>SECTION 36 REASONABLE CONSENT.....</b>	<b>52</b>
<b>SECTION 37 NO PARTNERSHIP .....</b>	<b>52</b>
<b>SECTION 38 MORTGAGE FINANCING .....</b>	<b>52</b>
<b>SECTION 39 QUIET ENJOYMENT .....</b>	<b>52</b>
<b>SECTION 40 HOLDING OVER.....</b>	<b>53</b>
<b>SECTION 41 BROKER .....</b>	<b>53</b>
<b>SECTION 42 CAPTIONS.....</b>	<b>53</b>
<b>SECTION 43 VARIATION IN PRONOUNS .....</b>	<b>53</b>
<b>SECTION 44 BINDING EFFECT OF AGREEMENT .....</b>	<b>54</b>
<b>SECTION 45 EXCULPATORY CLAUSE .....</b>	<b>54</b>
<b>SECTION 46 CAP ON FIRST-LEASE YEAR COSTS.....</b>	<b>54</b>
<b>SECTION 47 TENANT'S RIGHT TO TERMINATE .....</b>	<b>55</b>
<b>SECTION 48 ADDITIONAL PROHIBITED USES .....</b>	<b>56</b>

**LEASE**

THIS INDENTURE OF LEASE ("Lease") dated as of <sup>January 13, 2010</sup> ~~December 8~~, 2009 ("Effective Date"), by and between DDR MDT FAYETTEVILLE SPRING CREEK LLC, a Delaware limited liability company (hereinafter called "Landlord"), and JO-ANN STORES, INC., an Ohio corporation (hereinafter called "Tenant").

**WITNESSETH:**

**SECTION 1**

**EXHIBITS TO LEASE AND DEFINITIONS**

(a) The following listed exhibits are attached to and made a part of this Lease:

EXHIBIT "A". The description of the lands upon which the Spring Creek Centre in Fayetteville, Arkansas is constructed, sometimes hereinafter referred to as the "Shopping Center Parcel".

EXHIBIT "B". The site plan showing the proposed location of the Shopping Center buildings, Protected Area, parking areas, Cart Corral Area, Pylon Sign locations, driveways and Common Areas (hereinafter defined) and containing other general information relating to the proposed development of the Shopping Center Parcel.

EXHIBIT "C". The preliminary plans and specifications identifying the scope of Landlord's Work (hereinafter defined). Upon mutual acceptance by Landlord and Tenant in accordance with the terms of this Lease, the Final Plans and Specifications (hereinafter defined) shall be deemed substituted in place of the preliminary plans and specifications.

EXHIBIT "D". Tenant's prototypical plans and specifications for Tenant's Work (hereinafter defined) and Tenant's sign package as described in Section 20 of this Lease. Upon mutual acceptance by Landlord and Tenant in accordance with the terms of this Lease, the Tenant Final Plans and Specifications (hereinafter defined) shall be deemed substituted in place of the prototypical plans and specifications.

EXHIBIT "D-1". Depicts Tenant's prototypical signage and elevations, the Pylon Signs upon which Tenant may be permitted to install its identification panel pursuant to Exhibit D-4 and subject to the terms of this Lease, and the position of Tenant's signage on the Pylon Signs.

EXHIBIT "D-2". General Contractor's Affidavit and Partial Lien Waiver and Subcontractor's Partial Lien Waiver.

#3826

(f) Notwithstanding anything to the contrary, in the event of an Additional Prohibited Use Violation by any tenant or occupant who conducts or operates in violation of the Additional Prohibited Use without Landlord consenting to or granting such tenant or occupant the right to do so (a "rogue tenant"), then Tenant's right to pay Substitute Rent and terminate this Lease will be deferred, provided that Landlord commences court action to cure or eliminate the Additional Prohibited Use Violation by the rogue tenant within 30 days after notice from Tenant and diligently pursues same to completion (which diligence by Landlord must include appeals to the highest state court, if lower court rulings are adverse to Landlord and allow the Additional Prohibited Use Violation to continue). If Landlord does not take such action against the rogue tenant as described in the immediately preceding sentence, then Tenant may exercise its termination right and right to pay Substitute Rent at any time.

[Signature blocks on following page]

IN WITNESS WHEREOF, the Landlord and Tenant have caused this Lease to be signed, in quintuplicate, as of the date and year first above written.

WITNESSES AS TO LANDLORD:

LANDLORD:

**DDR MDT FAYETTEVILLE SPRING CREEK LLC**, a Delaware limited liability company

By: DDR Macquarie Fund LLC, its  
Managing Member

By: Macquarie DDR Management LLC, its  
Managing Member

By: DDR MDT Holdings II Trust, its  
Managing Member

Rachel Kuhn  
Rachel Kuhn (Print Name)  
Lou Ann Angle  
LOU ANN ANGLE (Print Name)

By: Robin Walker-Gibbons

Name: **ROBIN WALKER-GIBBONS**  
Title: **Executive Vice President**

WITNESSES AS TO TENANT:

TENANT:

**JO-ANN STORES, INC.**

Joan M. Jamovich

By: Darrell Webb

Darrell Webb, Chief Executive Officer and  
President

Pat Hull

And

By: James Kerr

James Kerr, Executive Vice President and  
Chief Financial Officer

